

CMS Manual System

Pub. 100-04 Medicare Claims Processing

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal 405

Date: DECEMBER 17, 2004

CHANGE REQUEST 3609

SUBJECT: Emergency Change to Carrier Instructions for the End Stage Renal Disease (ESRD) 50/50 Rule Implementation

I. SUMMARY OF CHANGES: In Change Request (CR) 2813, “End Stage Renal Disease (ESRD) Reimbursement for Automated Multi-Channel Chemistry Test(s),” the CMS directed Medicare carriers to make the necessary systems changes to implement front-end edits in preparation for the standard system implementation of this CR in the January 2005 release. This instruction notifies carriers to discontinue the implementation of business requirements associated with CR 2813 until further notice.

NEW/REVISED MATERIAL - EFFECTIVE DATE: January 1, 2005

***IMPLEMENTATION DATE: January 3, 2005**

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual not updated.)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N/A	

***III. FUNDING:**

These instructions shall be implemented within your current operating budget.

IV. ATTACHMENTS:

	Business Requirements
	Manual Instruction
	Confidential Requirements
X	One-Time Notification
	Recurring Update Notification

***Medicare contractors only**

Attachment – One-Time Notification

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SUBJECT: Emergency Change to Carrier Instructions for the End Stage Renal Disease (ESRD) 50/50 Rule Implementation

I. GENERAL INFORMATION

A. Background: The Centers for Medicare & Medicaid Services (CMS) has issued prior instructions to the Medicare carriers regarding procedures to enforce compliance with the payment policy for End Stage Renal Disease (ESRD)-related Automated Multi-Channel Chemistry Tests (i.e., the ESRD 50/50 rule). The ESRD 50/50 rule requires the billing laboratory to maintain a count of AMCC tests ordered to track the number of tests included in the composite payment rate paid to the ESRD facility, or the monthly capitation payment made to the furnishing physician, versus the number of covered non-composite tests performed for the same beneficiary, on the same date of service. The proportion of composite versus non-composite tests calculated by the billing laboratory is used to determine whether separate payment may be made for all tests performed on that day.

In Change Request (CR) 2813, “End Stage Renal Disease (ESRD) Reimbursement for Automated Multi-Channel Chemistry Test(s),” the CMS directed Medicare carriers to make the necessary systems changes to implement front-end edits in preparation for the standard system implementation of this CR in the January 2005 release. (The carrier standard system changes needed to implement the new ESRD 50/50 rule compliance guidelines were partially implemented in the October 2004 release. Intermediary billing guidelines for ESRD 50/50 rule compliance have been in effect since October 2003.) CR 2813 also directed the carriers not to post any information concerning the business requirements associated with the implementation of this instruction until receiving further guidance from the CMS.

In October 2004, the CMS issued a companion instruction, CR 3501, authorizing the carriers to post the provider education article related to CR 2813 on the CMS Medlearn Matters Web site, and to supplement this article with any localized information that would benefit the provider community in implementing the new billing procedures. Since the release of this instruction, CMS has met with members of the laboratory industry to discuss the ESRD 50/50 rule and the changes to current billing procedures that would be necessary to come into compliance with CR 2813. However, we have been recently notified that the industry may not be ready to implement these new guidelines by January 2005, due to the complexity of systems changes needed to implement the billing procedures specified in CR 2813, and the delay in releasing these guidelines to the industry until the publication of CR 3501 in October 2004. For these reasons, CMS will not required suppliers to bill for ESRD-related AMCC tests in accordance with CR 2813. Moreover, CMS is reevaluating the carrier implementation strategy for the ESRD 50/50 rule compliance guidelines.

NOTE: This instruction only pertains to the carrier changes associated with the implementation of CR 2813. The standard system maintainers should continue to follow the business requirements specified in CR 2813 for implementing the carrier ESRD 50/50 rule compliance guidelines in the January 2005 release. Carriers should proceed with any scheduled testing of standard system changes associated with the implementation of CR 2813, but should discontinue the implementation of the carrier business requirements and any planned testing of the carrier changes associated with CR 2813 until further notice.

This instruction also does not apply the intermediaries, or to the providers that bill intermediaries. Intermediaries and providers should continue to follow the existing guidelines for billing ESRD-related AMCC tests, in accordance with CR 3239 and CR 2277.

The CMS will provide further direction to the carriers concerning the carrier implementation of the ESRD 50/50 rule compliance guidelines in a future change request.

B. Policy: Carriers shall discontinue the implementation of the business requirements associated with CR 2813 until further notice. By December 31, 2004, carriers must remove the CD, CE, and CF modifiers from the local carrier modifier table. Until further notice, carriers shall reject the line item(s) on a claim for an ESRD AMCC test(s) when submitted with a CD, CE, or CF modifier, using the applicable reason/remark code for rejecting a claim submitted with an invalid modifier. Carriers must also continue to follow existing guidelines for processing claims for ESRD AMCC tests and making payment determinations for these services.

C. Provider Education: A Medlearn Matters provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article must be included in your next regularly scheduled bulletin. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
3609.1	Upon receipt of this instruction and until further notice, carriers shall discontinue the implementation of the business requirements associated with CR 2813. NOTE: Carriers should proceed with any scheduled testing of standard system changes associated with the implementation of CR 2813, but should discontinue the implementation of the carrier business requirements and any planned testing of the carrier changes associated with CR 2813 until further notice.			X						
3609.2	On or before December 31, 2004, carriers shall remove the CD, CE, and CF modifiers from the local carrier modifier table.			X						
3609.3	Until further notice, carriers shall reject the line item(s) on a claim for an ESRD AMCC test(s) when submitted with a CD, CE, or CF modifier, using the applicable reason/remark code for rejecting a claim submitted with an invalid modifier.			X						

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING

Effective Date*: January 1, 2005 Implementation Date: January 3, 2005 Pre-Implementation Contact(s): Susan Webster, (410) 786-3384 Post-Implementation Contact(s): Susan Webster, (410) 786-3384	Medicare contractors shall implement these instructions within their current operating budgets.
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***Unless otherwise specified, the effective date is the date of service.**